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Message Text

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15
ACTION COME-00

INFO OCT-01 AF-06 EUR-12 ISO-00 EB-07 /026 W
---------- 020619
R 171531Z OCT 75
FM AMEMBASSY ABIDJAN
TO SECSTATE WASHDC 5501
INFO AMEMBASSY DAKAR
AMEMBASSY LAGOS
AMEMBASSY MONROVIA
AMEMBASSY PARIS

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DEPARTMENT PASS ATTN OIM-244

E.O. 11652 N/A
TAGS: BGEN, EINV, EFIN, IV
SUBJECT: OBR: DOING BUSINESS IN IVORY COAST

REF.: STATE 235791

1. EMBASSY ABIDJAN STRESSES NO CHANGE IN PREVIOUS IVORIAN POLICY REGARDING INVESTMENTS BY FOREIGN INTERESTS. INVESTMENT LAW OF SEPTEMBER 3, 1959 SUBSTANTIALLY UNCHANGED. GOIC CHARACTERIZES POLICY AS LIBERAL: NO RESTRICTION ON REPATRIATION OF PROFITS, PAYMENT OF DIVIDENDS OR RYALTIES, OR OTHER TRANSFERS OF FUNDS TO PARENT COMPANY. IVORIAN GOVERNMENT DOES, HOWEVER, REQUIRE THAT ALL INVESTORS (LOCAL OR FOREIGN) DEPOSIT TEN PERCENT OF THEIR PROFIT IN TRUST FUND WITH SONAFI (SOCIETE NATIONALE DE FINANCEMENT) A GOVERNMENT LENDING FACILITY FOR INVESTMENT PURPOSES. FIVE YEARS AFTER TRUST FUND INITIATED, ENTIRE AMOUNT DEPOSITED BY INVESTOR IS RETURNED TO HIM IF HE REINVESTS IN IVORIAN INDUSTRY.

2. REFTEL ALSO REQUESTED INFORMATION CONCERNING EVOLUTION OF WEST AFRICAN CUSTOMS UNION. PLANS FOR CUSTOMS UNION ENVISIONED FOR WEST AFRICAN COUNTRIES HAVE NOT YET ADVANCED
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BEYOND RATIFICATION. ECOWAS COUNTRIES WILL BE HOLDING

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MEETINGS THIS FALL AND WINTER IN ATTEMPT TO FORM SECRETARIAT AND ESTABLISH HEADQUARTERS. THIS IS PRELIMINARY STEP TO COLLECTING STATISTICS ON TRADE AND FORMULATING POLICY. IVORIAN OFFICIALS FEEL THAT ANY REAL MOVE TOWARD CUSTOMS UNION, I.E. COMMON EXTERNAL TARIFF WITH ABOLITION OF TARIFFS AMONG MEMBER COUNTRIES, AT LEAST THREE YEARS OFF. IVORIANS CITE AS PROBLEMS STANDING IN WAY OF CUSTOMS UNION THE FOLLOWING: DIVERGENT APPROACHES TO ECONOMIC DEVELOPMENT AND ECONOMIC SYSTEMS IN WEST AFRICAN COUNTRIES, SIMILAR INDUSTRIES IN SOME COUNTRIES WHICH MIGHT COMPETE WITH EACH OTHER, DIFFERENT DEGREES OF COMMITMENT TO SUCH A CUSTOMS UNION, AND DIFFERENT LEVELS OF ECONOMIC DEVELOPMENT ACHIEVED BY MEMBER COUNTRIES.

3. FAR FROM CONSIDERING SUCH A CUSTOMS UNION AS FURTHER RESTRICTING TRADE FROM NON-MEMBER COUNTRIES, IVORY COAST VIEWS THIS DEVELOPMENT AS ONE OF REGULARIZING AND STANDARD-IZING APPROACHES TO TRADE FOR ALL WEST AFRICA WHICH THIS COUNTRY HOPES WILL EASE FLOW OF TRADE. IVORIAN OFFICIALS HAVE STRESSED TO EMBOFFS THAT THEY FORESEE WEST AFRICA OFFERING BETTER OPPORTUNITIES TO POTENTIAL FOREIGN INVESTORS AFTER ESTABLISHMENT OF CUSTOMS UNION IN THAT ENTIRE WEST AFRICAN MARKET WOULD THEN BE AVAILABLE FOR GOODS MANUFACTURED IN ONE OF THE MEMBER COUNTRIES.

4. EMBASSY WILL BE HAPPY TO PROVIDE ASSISTANCE AND TO ANSWER SPECIFIC QUESTIONS FROM POTENTIAL AMERICAN INVESTORS IN IVORY COAST. MORE SPECIFIC INFORMATION IS AVAILABLE IN ENGLISH FROM THE BUREAU DU DEVELOPPEMENT INDUSTRIEL, MINISTRY OF PLAN, ABIDJAN.
SMITH

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